

Yuan Ju

Presentation Title

The Balanced Threat Agreement for Individual Externality Negotiation Problems

(with Yukihiro Funaki and Peter Borm)

Abstract

This paper introduces a model to analyze individual externalities and the associated negotiation problem, which has been largely neglected in the game theoretic literature. Following an axiomatic perspective, we propose a solution, as a payoff sharing scheme, called the balanced threat agreement, for such problems. It highlights an agent's potential influences on all agents by threatening to enter or quit. We further study the solution by investigating its consistency. We also offer a discussion on the related stability issue.

Keywords

Individual externalities; negotiation; balanced threat; characterization; consistency.

Affiliation

University of York